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RUEAHND/CDRJTFB SOTO CANO HO IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE
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RHEFDIA/DIA WASHINGTON DC IMMEDIATE
RHMFISS/DIRJIATF SOUTH IMMEDIATE
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RUEKJCS/JOINT STAFF WASHDC IMMEDIATE
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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000932

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DEPT PASS TO USTR

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TAGS: [PREL](#) [PGOV](#) [EAID](#) [ETRD](#) [EAGR](#) [VE](#) [HO](#)

SUBJECT: HONDURAN CONGRESS PASSES ALBA IN EMERGENCY SESSION
- CORRECTED COPY -

Classified By: Ambassador Hugo Llorens, reasons 1.4 (b & d)

11. (C) Summary. In an emergency session of Congress called October 9, the legislature ratified the Bolivarian Alternative for the Americas (ALBA) agreement that was signed by President Manuel "Mel" Zelaya on August 25. The members added several "reservations" to the document, but it passed easily with the support of all Liberal Party members present, minus one, the Christian Democratic Party (CD), the Democratic Unification (UD) Party, and some of the National Innovation and Unity Party (PINU). Those who were against the agreement simply did not show up for the vote, or, in the case of the main opposition National Party, abstained. In the end, President Zelaya was able to get the crucial support of Congress President Roberto Micheletti (who was not physically present for the vote due to the fact that he was recovering from a medical procedure), a centrist and an ideological opponent of Chavez. In return, President Zelaya has publicly endorsed Micheletti's candidacy and pledged to join him on a campaign swing. At the end of the document Congress added a statement asserting that the agreement on ALBA does not contain any obligation that requires Honduras to compromise its freedoms, sovereignty, and self-determination, and does not contain any military, political or ideological component. End Summary.

12. (C) Secretary of the Congress Jose Saavedra called an emergency session on October 9 to consider Honduras' accession to ALBA. Many members were unable to make it back in time for the discussion and vote, so dozens of alternates attended the session and discussion did not actually begin until 2:30 p.m. Members of Congress from several parties complained that the report on the agreement (dictamen) was not given to them until an hour before the vote took place. The Congress was surrounded by protesters demanding that the Congress pass ALBA. The press is reporting that protesters were paid 300 lempiras (less than USD 16) to show up. Government sources have reported to us that there would be many protesters, saying that the President had asked them to assemble at the Congress if they wanted the benefits of ALBA.

13. (U) The legislation specifically authorizes the GOH to sell USD 100 million in bonds to Venezuela, with proceeds to be used to build low-income housing, to obtain a further USD 30 million in credit from the Venezuelan National Bank for Economic and Social Development (BANDES), which the Honduran National Bank for Agricultural Development (BANADESA) will use to support lending to small farmers, and to receive a donation of 100 Venezuelan/Iranian tractors.

14. (SBU) The ALBA bill was considered only once, although congressional rules generally require three readings of a document before it can pass. (Note: It is not uncommon that the rules regarding three readings are suspended in the case of emergencies or when there are time sensitivities. End note.) Members added several "reservations" to the document, including a statement that the Congress reserved the right to reject all aspects of this agreement that come to contradict the accepted democratic "principles" of the country; threaten its assets or natural resources; or go against guaranteed property rights, free trade, or any other rights guaranteed by the constitution. At the end of the document they added a statement asserting that the agreement on ALBA does not contain any obligation that requires Honduras to compromise its freedoms, sovereignty, and self-determination, and does not contain any military, political or ideological component.

15. (C) Many members of Congress spoke out against ALBA, but in the end, once the reservations were put in place, the agreement passed by a show of hands. (Note: An electronic voting machine is installed in the Congress, but it has never

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been used, as most members seem to prefer some level of anonymity in their voting. End Comment.) It is impossible to know at this point exactly who voted in favor, but it appears that all the members of the Liberal Party who were present supported the measure, with the exception of Martha Lorena Alvarado de Casco, who spoke out energetically against it and later resigned. The National Party abstained, the Christian Democrats voted in favor, the Democratic Unification Party (UD) voted in favor, and the National Innovation and Unity Party (PINU) vote was split. Press is reporting that most National Party members did not show up for the vote.

Comment

16. (C) Of note is the fact that President of the Congress Roberto Micheletti was glaringly absent from the vote. Micheletti was home recuperating from throat surgery. Pundits believe that Micheletti chose to have elective surgery timed to miss the vote, although others say that Micheletti wanted to have his medical problem taken care of now so that he would be available for the last month of the primary campaign. Micheletti has made very clear in public he supports ALBA since he is satisfied that it is only an economic agreement and has no/no military or ideological connotations. However, others seem to have missed the vote in protest. For example, First Vice President Lizzy Flores was absent. She is reportedly a strong opponent of ALBA and her father, former President Carlos Flores Facusse, who publishes one of Honduras' major dailies, La Tribuna, is also known to oppose ALBA. Second Vice President Juan Ramon Velasquez Nazar of the Christian Democrats was also mysteriously absent, as was Micheletti lieutenant and presidential offspring Jose Azcona. In the end the floor vote was thus directed by third Vice President Victor Sabillon.

17. (C) Comment, cont.: The vote appeared to be called before the primary elections so that members could exchange their votes for "subsidies" to their campaigns. Many in the private sector and the political right expressed dismay that ALBA passed so easily. Business people also expressed disillusion with their own member organizations -- such as

the Honduran Private Enterprise Confederation (COHEP) -- for not mounting a more effective campaign against ALBA.

¶8. (C) Comment, cont.: The passage of ALBA has forced Zelaya to mend fences with centrist Congressional leader Micheletti.

In this regard, Zelaya,s efforts to secure ALBA,s ratification have moved him back to the political mainstream with Zelaya publicly endorsing Micheletti's Presidential bid.

Zelaya has announced he will be joining Micheletti on a campaign swing throughout Honduras. In return, it appears that Micheletti will add some of Zelaya,s supporters onto his congressional slates.

LLORENS